

Minutes of the Meeting of June 24, 2016

of the

MASSACHUSETTS TEACHERS' RETIREMENT BOARD

I. Regular Matters of Business

In attendance at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board") were Chairman Jeff Wulfson, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, Dennis J. Naughton, Joannah M. Quinn, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Sean Neilon, Assistant Executive Director Jon Osimo, General Counsel James Salvie, and Executive Assistant Helen Petruzzello.

The meeting was called to order at approximately 9:01 a.m.

The minutes of the previous Board meeting, held on May 20, 2016, were reviewed and approved as submitted on a motion made by Mr. Liston and seconded by Mr. Naughton. The motion carried 6-0-1 with Mr. Favorito voting present due to his absence from the May meeting.

VOTED: The Open and Executive minutes of the Board meeting held on May 20, 2016, are hereby approved as submitted.

II. Executive Session

A motion was made by Mr. Naughton and seconded by Mr. Liston to enter into executive session in order to review applications for disability retirement and termination retirement. On roll call, the vote was as follows:

VOTED: Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Joannah M. Quinn	Yes
Anne Wass	Yes

At approximately 9:02 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At approximately 11:02 a.m. the Board reconvened in Open Session at which point Susan Morgan and David Wright joined the meeting.

III. Open Session

A. FY 2017 SUPPLEMENTAL BUDGET FOR RELOCATION OF MAIN OFFICE SPACE

Executive Director Erika Glaster presented photos and amenities of the proposed building site for the board's reference in requesting approval of the FY 17 Supplemental Budget for the estimated costs associated with the main office relocation. The proposed FY 2017 supplemental budget totals \$989,700, which affects two areas of the operational budget: Administrative Expenses and Information Technology. Ms. Glaster commended the Finance and IT staff on their efforts in gathering the information necessary to provide these estimated costs and reviewed line items, answering questions from the Board. She explained that these estimates were "worst case scenarios." On a motion made by Ms. Wass, and seconded by Mr. Liston, the Board voted unanimously to approve the office relocation supplemental budget for a total not to exceed \$989,700.

B. APPROVAL OF CHANGE ORDER 31.00, MYTRS CONNECTIVITY

Susan Morgan, Chief Technology Officer, and David Wright, Director of Network Services, requested the Board's approval on Change Order 31.00, *MyTRS Connectivity*, with the hosting vendor Vitech Corporation, necessary for the expenses associated with the relocation of the MyTRS circuit connectivity infrastructure for both hosting facilities. Upon the Board's inquiry, Ms. Morgan explained that the plan provides for six weeks of testing and trouble shooting. The Board questioned whether this would increase the risk of vulnerability and Mr. Wright assured the Board that the network design will remain under the same structure as it currently exists. On a motion made by Mr. Liston, and seconded by

Ms. Wass, the Board unanimously approved Change Order 31.00, *MyTRS Connectivity*, for a total not to exceed \$99,656.

Ms. Morgan and Mr. Wright left the meeting.

C. REVIEW OF REGULATION 807 CMR 13.00, TRANSFER OF MEMBERSHIP OF RETIREMENT PLUS MEMBERS, PURSUANT TO EXECUTIVE ORDER 562

Mr. Salvie presented for the Board's approval amendments to Regulation 807 CMR 13.00, *Transfer of Membership of RetirementPlus Members*. On a motion made by Ms. Gorrie, and seconded by Mr. Liston, the Board voted unanimously to approve the amendments and put them out for public comment.

D. EXECUTIVE DIRECTOR'S EVALUATION

Chairman Wulfson distributed the summary of the annual performance reviews of the Executive Director completed by the Board members and, contrary to past practice, requested that senior staff members remain at the meeting for the evaluation.

The Chairman noted that this was the first evaluation by the Board of Ms. Glaster in the role as Executive Director and reported that the evaluations conveyed the consensus that the Board made "the right decision" in their selection of Ms. Glaster back in July 2014. The Board members echoed their comments from the evaluations, noting Ms. Glaster's "calm and in control" leadership style in face of many issues and challenges, most notably the office relocation.

Chairman Wulfson asked whether a review of the Executive Director's compensation was warranted. Noting the salary reserve of 3% approved at the May board meeting, the Board concurred that a consistent adjustment would be appropriate for Ms. Glaster. Mr. Naughton made a motion, which was seconded by Ms. Gorrie, offering a 3% increase to Ms. Glaster. Ms. Glaster acknowledged the efforts of the MTRS staff and expressed her gratitude to the Board for their vote of confidence and support but felt that the adjustment was too generous, noting Chairman Wulfson's comments from the previous month on the current economic climate, and her preference to leave more money in the salary reserve for staff raises. Mr. Naughton amended his motion to offer a 2.5% increase in

compensation to Ms. Glaster, which was seconded by Ms. Gorrie, and unanimously approved by the Board.

E. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster updated the Board on the possibility of a delay in any Cost of Living Increase ("COLA") for retirees for the July pension payment considering the Governor's temporary short-term budget due to decreased state budget revenue projections. She stated she will keep Board members updated.
2. Ms. Glaster reported that letters have been forwarded to the thirty-four school districts selected for a census data audit conducted by KPMG, the Commonwealth's independent auditor, in compliance with GASB 67.
3. Ms. Glaster stated that a letter had been sent to the Chairs of the Joint Committees on Ways and Means requesting a seat for a representative from the MTRS on the proposed pension forfeiture commission. Additionally, as a follow up to the meeting with ANF representatives Jen Sullivan and Rob Ross, Ms. Glaster informed the board that she had sent a communication thanking them for the opportunity to meet with MTRS representatives and reiterated the issues discussed in the meeting. Ms. Glaster stated that she will continue to follow through and update the board at the next board meeting of any responses received.
4. Ms. Glaster provided the statistics of the annual statement mailing announcing that approximately 108,000 statements were mailed to the active and inactive members. She remarked on the troubling statistic that approximately 44,000 active members have no beneficiary on file. The board members suggested making that step a mandatory field in the enrollment process.
5. Ms. Glaster informed the Board that active and retiree versions of *The Advisor* newsletter were electronically forwarded to the membership on the distribution list and hard copies will be mailed out to those retired members without email addresses on file. Additionally, both versions have been posted to the website.
6. Ms. Glaster announced that the Disability Case Manager position, recently vacated by Rob Fabino due to his appointment as Director of Human Resources, has been filled by Salvatore Coco who will be starting with the

agency at the end of July and will function in that role at the August board meeting.

7. Ms. Glaster distributed a recent Boston Globe article concerning the passing of Jerome Winegar, a former part-time contracted MTRS employee who worked in the Western Regional Office. Ms. Glaster noted that Mr. Winegar had served as headmaster of South Boston High School during the tumultuous time of the desegregation ruling and court-ordered busing in the late 1970's.
8. Finally, Ms. Glaster acknowledged that Jim Salvie will again ride in the Pan Mass Challenge the first weekend in August.

The Board determined that an extended meeting schedule would not be necessary for the July board meeting.

On a motion made by Mr. Liston and seconded by Mr. Naughton, the Board voted unanimously to adjourn the meeting at approximately 11:58 a.m.

Respectfully submitted,

Erika M. Glaster, Executive Director

Date

Documents used in MTRS Board meeting of June 24, 2016

- Agenda for June 24, 2016 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of May 20, 2016 MTRS Board meeting
- Memorandum and supporting documents pertaining to termination retirement application
- Memorandum and supporting documents pertaining to FY 2017 supplemental budget
- Memorandum pertaining to Change Order 31.00, MyTRS Connectivity
- Memorandum and supporting documents pertaining to Review of Regulation 807 CMR 13.00, Transfer of Membership of Retirement Plus Members